Approved For Release 2001/08/24 : CIA-RDP57-00384R001200170007-6

OGC HAS REVIEWED.

Executive for A&M 10 August 1948

Assistant General Counsel

STATSPEC

Installations being occupied by [redacted]

STATSPEC [redacted]

1. Reference is made to pending request from the Corps of Engineers, Department of the Army, that the Central Intelligence Agency reimburse the Department of the Army for the present fair market value of the Government-owned improvements

STATSPEC situated on property at [redacted], which improvements are STATSPEC presently being utilized [redacted]. The fair market value of the improvements is stated to be $52,822.06.

2. The request for reimbursement in the sum of $52,822.06 was based by the Corps of Engineers upon a JAGO opinion which cited a statute prohibiting a transfer of property from one agency to another without reimbursement unless authorized by specific law. As the required statutory authority did not exist, JAGO held that the proposed transfer of the improvements without reimbursement was legally objectionable.

3. In view of the possible legal objections to transfer without reimbursement and the demand of the Department of the Army for reimbursement, it was felt that CIA should take the position that the buildings and improvements should stay in the possession of the Department of the Army, and that the Department would merely allow CIA to continue occupancy, billing us only for the cost of such repairs and upkeep as is necessary.

4. At a meeting with Mr. Schaub of the Bureau of the Budget on Wednesday, 4 August 1948, the CIA position was concurred in. This was strengthened by the position taken by Mr. Schaub that any reimbursement received by the Department of the Army for these improvements would be covered into the Treasury as miscellaneous receipts and would not accrue to the benefit of the funds of the Department of the Army.

25X1A 5. At Mr. Schaub's request, the undersigned with Mr. [redacted] Chief, Budget & Finance Branch, talked this morning with Maj. Gen. William H. Arnold, Chief, Budget Division, Office of Army Comptroller, and Col. Moore of his staff, and presented the CIA position. In view of Mr. Schaub's ruling and the obvious equities of the CIA position, together with

Approved For Release 2001/08/24 : CIA-RDP57-00384R001200170007-6

Approved For Release 2001/08/24 : CIA-RDP57-00384R001200170007-6

the comparatively small amount involved, Gen. Arnold ruled that the Department of the Army would not require reimbursement for these improvements, merely billing us for any actual expenses involved in their upkeep or repair. CIA would thus be able to continue to use these installations without charge for an indefinite period.

6. It is requested that, if this meets with the approval of the Executive for A&M, the Chief, Services Branch, and the [redacted] be notified.

STATSPEC

25X1A

[redacted]

Approved For Release 2001/08/24 : CIA-RDP57-00384R001200170007-6